

Franco-British Council

**European Agricultural Models:
One or Several?**

Report of a seminar held in London

30 March 2009

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The Author

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Commission for
Rural Communities

Tackling rural disadvantage

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CONTENTS

Introduction	5
European Agricultural Models: One or Several?	5
Session I: The Global Framework for Agriculture	5
Session II What Agricultural models do we want for Europe?	6
Session III: What policies are needed to achieve these? On a European, national and regional level?.....	7
Session IV: What rural policies do we want and how should they relate to agricultural policies?	9
Conclusions	10
Appendix I Speech by Colin Tudge	11
Appendix II British Participants	12
Appendix III French Participants.....	13
Appendix IV Seminar Agenda	15

Within the European Union Agriculture has traditionally been an issue on which France and Britain have had very different views. France has normally seen itself as the defender of the Common Agricultural Policy. Britain on the other hand has been one of the CAP's most strident critics. Yet the FBCs seminar on Agriculture, succeeded in taking a fresh look at the subject in the light of the changing international economic and environmental context. Under the chairmanship of Joyce Quin and Marion Guillou views from participants from both countries were wide-ranging and unsterotypical, and tended towards a large measure of agreement both about the issues which needed to be tackled for the future and about what kind of measures might be effective in addressing those issues.

The main points of the seminar can be summarised as follows:

- Environmental considerations would be paramount in European agricultural policy in the future and would have to be taken full account of both within EU countries and on the wider international level.
- Europe had to take its international responsibilities very seriously in both agricultural and environmental negotiations and be conscious of the links between the two.
- While governments had their role to play, the task of ensuring a sustainable agricultural future would also involve changing behaviour by farmers and consumers.
- Governments had to respond quickly to scientific and biological information – for example regarding the honeybee crisis. France and Britain should work together on these issues.
- There were evolving views on the future of the CAP in both countries. Both countries recognised the importance of Pillar II of the CAP dealing with rural development and considered that this had the potential to use EU funds more satisfactorily and flexibly than had been the case in the past. It was felt that the public were more likely to see agricultural spending as justified if it seemed to be delivering environmental benefits as well as quality food and a better way of life for rural areas.

This report of the seminar by Joyce Quin provides an overview of the opinions and comments of the participants and of the conclusions which were reached.

Introduction

London's Horticultural Halls provided the appropriate setting for the Franco-British Council to discuss the future of Agricultural Policy in Europe. While traditionally the Common Agricultural Policy (CAP) has evoked different views and approaches in France and Britain, this seminar brought participants from both countries together in common concern at how this policy should develop for the future, and how it could fit in to the wider international and environmental priorities of the European Union. It was evident from the beginning of the seminar that all participants were keen to look forward and try to agree together what new approaches would be necessary. The French Ambassador to the UK, Maurice Gourdault-Montagne, in his opening remarks, set the scene deftly. He drew attention to the timeliness of the discussion, and reminded us that the EU had to look outward, given the "triple shock" of climate change, energy supply shortages and price volatility. He stressed too that imaginative policies, moving away from stereotypical arguments, would be needed to face environmental and agricultural challenges; a point which guided and informed the thinking of participants for much of the discussion which ensued.

European Agricultural Models: One or Several?

The discussion began with the co-chairs, Joyce Quin and Marion Guillou outlining the context in which the various themes and ideas would be considered. There were ongoing discussions within the EU about how the CAP would be reshaped after 2013 as well as negotiations about the EU budget of which agriculture is still a significant part. Agriculture was also key to gaining agreement in the Doha trade round. Ensuring adequate and safe world food production and supply were matters of universal concern as was the link between agriculture and environmental sustainability.

Session I: The Global Framework for Agriculture

The introductions led neatly into Session I which focussed on the global context and the challenge of producing enough food to feed 9 billion people by 2050. Michel Petit pointed out in his opening remarks that the question of how to feed the world's future population begged other questions such as who is going to produce this food and how is its distribution to be ensured. He believed that in seeking to achieve an adequate world food supply production would not only have to increase, it would have to be sustainable. Greater research in

agriculture would have an important role in this. Financing would be important from both public and private sectors. He also felt that in the developed world agricultural producers and agriculturalists would have to pay attention to dietary trends and be part of the quest to combat obesity and promote healthier eating habits. To deal adequately with the needs of developing and developed countries better international agreements and even forms of global governance would be necessary. Michel Petit's points were reinforced by Andrew Simms in his introduction, particularly in relation to the environment. He pointed out that one billion of the world's poor were starving and drew attention to the problems of global drought. He argued that "obesity too is a climate change issue" since we should consume less of what contributes to climate change, pointing out that livestock production accounted for 20 per cent of all emissions. It was a tragic irony that the number of overweight people was equal to the number of people starving.

In the general discussion there was broad agreement that the issue of climate change must now dominate thinking on future global agricultural policies. Science must not pander to politician's and economist's ideas: policies had to recognise scientific and environmental realities. Because of this, while different agricultural models were possible these had to be compatible with the overall goals of environmental sustainability and meeting global food needs.

Session II What Agricultural models do we want for Europe?

The discussion was opened by Sir Donald Curry who had chaired the Policy Commission on Food and Farming. He reminded participants that the Commission had concluded in favour of decoupling farm support from production and had pronounced in favour of the principle of public support for public goods. Intervention in the market was only to be favoured when the market was failing to deliver those public goods. Sir Donald also stressed that the EU and its member states, in evolving their policies, had to remember the wider international challenges (and not ignore them). Within that overall context however it was possible to have a number of different models. He made the point that even within the UK, the four countries had developed their own models while applying EU policy. He described the way that England had fully decoupled support from production and was moving to an area-based payment system. It was accepted that farmers should focus on their markets more than responding to subsidy levels or what was available from the public purse. Farmers were also discovering new business opportunities, reconnecting with their markets, with their consumers and with the environment. While transferring more resources to the rural development part

of the CAP was wise, a balance needed to be struck at each stage of that process and due account taken on the social impact of change and the situation in remote areas. The future CAP needed to be more flexible than in the past, so that the variety of local and national situations could be addressed effectively.

In his introduction Hervé Guyomard also stressed the diversity of European Agriculture and the fact that enlargement of the EU in 2004 had brought in further differences and changes. While the traditional CAP still had an influence in discussions on ideas for the development of European Agricultural models it was far less important than in the past. He felt that five principal motors would drive policy; world economic growth, energy, the Doha trade round, the environment and CAP reform. The objectives for a reformed CAP should include risk management (to stabilise markets) and public money targeted at changing systems so that they are more respectful of the environment and take rural development into account. Funds should also be focused on improving the organisation of producers and food safety.

The ensuing discussion was wide-ranging. It included consideration of what type of farms and what size of farms best suited the environment. However the answer was not straightforward. Bernard Bachelier argued that the reduction in the number of farms was not something necessarily to be resisted since this was part of a natural sociological change and the farmers who were left on the land tended to be better integrated into society. However it was also pointed out that consumers are very interested in purchasing organic and very local types of produce and that opportunities would continue to exist for small-scale producers. It was generally believed that a variety of models and types could successfully co-exist. There was a feeling that direct payments were to be preferred to price support mechanisms but that farmers needed to rely less on direct payments overall and build more resilient businesses. There was strong support for the transfer of more resources to Pillar II of the CAP dealing with rural development and a strong belief that a commitment to the environment must permeate all possible agricultural models.

Session III: What policies are needed to achieve these? On a European, national and regional level?

Session III was devoted to considering the policies that would be needed on various levels – European, national and regional – to deliver viable agricultural models and structures discussed in Session II. Again the usefulness of Pillar II

of the CAP was referred to by several speakers as helping to create a flexible, market-oriented but also environmentally-sustainable approach.

Antoine Herth outlined some of the efforts being made by France, in particular through the Forum “Grenelle de l’Environnement” which has prioritised environmental considerations in agricultural policy. This has involved looking at the energy and water use aspects of agriculture. Action was felt to be needed quickly but it was obviously not easy to change behaviour and attitudes overnight. While agriculture employed far fewer people than was traditionally the case it still occupied a vital role and, taking into account the people employed upstream and downstream from agriculture, some 14% of the French economy was involved.

Susan Armstrong-Brown said that agriculture, as a major provider of public goods, was in a special situation which needed to be recognised. A productive agricultural base for food production was necessary, but biodiversity objectives also needed to be met. Social and cultural concerns needed to be factored in alongside the all-important climate change objectives which had been agreed. A big effort would be needed to reconcile the desirable degree of subsidiarity in agricultural policy (to respond to regional and local differences and needs) and EU wide consistency. This needed an agreed and effective EU framework and principles which should be more clearly defined. Pillar II had established a good framework and an EU wide approval system as well as some good co-financing mechanisms which secured “buy-in” at local and national, as well as European level.

She also said that while Britain talked a lot about the importance of deregulation this could sometimes disguise the reality which was that agriculture continued to receive high levels of subsidies and will have to continue to do so if the necessary public goods were to be delivered. Worthwhile efforts to bring farmers closer to their markets therefore had to be seen within that overall context.

Points made during the discussion amplified the way that views of the CAP were changing in both countries albeit from previously very different starting positions. Both countries were focused on the importance of agricultural research and both had increasingly stressed environmental objectives, although there was some concern that agriculture alone could not deliver all environmental goals. A wide partnership was needed involving public and private sectors.

Session IV: What rural policies do we want and how should they relate to agricultural policies?

Session IV brought into play the wider rural development agenda and looked at what rural policies were desirable and how these should relate to agricultural policy and objectives.

Bertrand Schmitt noted that although there had been a significant rural exodus over many years there was also now a trend for retired people and for young couples with children to move to the countryside. While the earnings gap between rural and urban areas was still marked there were also sharp disparities within rural areas. European rural development policy currently does not tackle sufficiently effectively the issues of inequality within rural areas, accessibility issues and quality of services

Stuart Burgess noted similar migration movements in Britain to those in France with both retired people and couples between 36-48 moving to the countryside. He also stressed the importance of tackling social exclusion issues and transport issues in rural areas. He underlined the fact that rural and urban communities are actually dependent on each other and a too-artificial distinction between them should therefore not be drawn. Jobs in urban areas were often linked to economic activity in the rural areas and vice versa.

In the discussion, while different views were expressed about how far a move into rural areas could or should counteract problems of urbanisation, there was agreement that other policies such as transport, development and environment policies have to be adapted alongside agricultural policy and they should not be developed in isolation from each other. It was also agreed that policies on rural development should take heed of the disparities within and between rural areas. It was also agreed, particularly following the local examples at village level described by Helen Browning, that local initiatives and actions could have a significant effect and could serve as models of good practice elsewhere if their results were disseminated.

Conclusions

1. Environmental considerations and goals must be taken into account in European and international agricultural policies.
2. Agriculture, like the environment, required actions at every level; local, regional, national, European and international.
3. It is not just government action which is important. Changing behaviour, diets and attitudes are also vital.
4. Governments have to be guided by the latest scientific and biological knowledge.
5. In both France and Britain it is striking that views towards the CAP are and have been changing. The disadvantages of some traditional aspects of the policy are apparent to both, and the advantages of placing greater stress on Pillar II of the policy, dealing with rural development, have become clearer in both countries. Pillar II has been revealed as being a more flexible policy instrument, adaptable to the different agricultural situations in different regions and countries. It has shown itself capable of promoting diversification, of helping farmers to find outlets and customers, and of respecting and enhancing the natural environment.
6. It was felt that if funds spent on agriculture and farmers were linked to the delivery of public goods, and into environmental, social and rural development goals, this expenditure would command greater public support.
7. Participants considered that within an overall framework, a variety of agricultural models and structures were both possible and desirable.
8. There was a proposal from the French chair for the seminar's participants to help work towards the creation of a Franco-British core within the group of international food security experts called for at the Rome 2008 High Level Conference on World Food Security.
9. Although we face huge challenges, particularly as regards the environment, there was a considerable degree of consensus which could be built on. With the right degree of commitment and determination there was cause for optimism.

Appendix I

Speech by Colin Tudge

AGRICULTURE – A PERSONAL PERSPECTIVE

In a free thinking, wide ranging, thought-provoking and entertaining speech Colin Tudge threw down a number of agricultural gauntlets.

He felt that the history of agriculture and agricultural policy in recent years had left us in a “deep hole.” Public agricultural policy had vandalised the countryside and had flown in the face of scientific and biological realities. He had set up the “Campaign for Enlightened Agriculture” (now called “The Campaign for Real Farming”) to change farming and bring about its renaissance. This campaign criticised the tendency to see agriculture as a business like any other, emphasizing that around 70% of land area was affected by it, and that it was a provider and controller of major public benefits.

Colin acknowledged and stressed the size of the problem of being able to feed 9 billion people by 2050 but affirmed his strong belief that if particular policies and approaches were pursued this was achievable.

He questioned whether we really needed to double output, suggesting that we are already producing enough to feed the present population.

He commented that there was a need to design agriculture “*Expressly to feed people without wrecking the rest of the world*” as opposed to designing agriculture to conform to a prescribed economic model. Sound biology and morality must come first, with the economic structure adjusted accordingly. Such “Enlightened Agriculture” would inevitably produce “*lots of plants, not much meat and maximum variety.*” This, he said, also accorded perfectly with the recommendations of modern nutritionists and described the basic structure of all the world’s finest cuisines, from Italy via Turkey to China. In other words good sustainable farming, sound nutrition and great cooking go hand in hand. He proposed the slogan: “*The future belongs to the gourmet*”.

Looking at the global situation, Colin Tudge also felt that more self-reliance in agriculture was necessary within each country, with reliance on imports being restricted to those commodities which could not be produced locally.

He also contended that much more should be done in developing countries to make agrarian life more agreeable. In many countries the agrarian economy needed to be restored to achieve a better balance against the urban, industrial economy.

(More information about Colin Tudge’s campaigning work and relevant articles can be found on <http://campaignforrealfarming.blogspot.com>).

Appendix II

BRITISH PARTICIPANTS

Cochair:

Rt Hon Baroness Quin

Chair, FBC

Dr Susan Armstrong-Brown

Head of Countryside Policy, Royal Society for the Protection of Birds

Tim Bennett

Chairman, DairyCo, Board member, Food Standards Agency, former President of the National Farmers Union and farmer

John Bensted Smith

Director of Economic Analysis, Perspectives and Evaluations, European Commission

Helen Browning

Farmer and Food & Farming Director of the Soil Association

Dr Stuart Burgess,

Chair of the Commission for Rural Communities

Shanez Cheytan

Agriculture and Food Attaché British Embassy, Paris

Dr Sue Collard

Lecturer in French, University of Sussex

Sir Donald Curry

Chairman, Policy Commission on Farming and Food

Wyn Grant

Professor of Politics, Warwick University, Author of *Agriculture in the New Global Economy*

Chris Horseman

Journalist, Agra Europe

Ann Kenrick OBE

Secretary-General, FBC

Andrew Knapp

Director of European Studies, University of Reading

Andrew Simms

Policy Director, New Economics Foundation

Giovanni Spinella

Assistant to Secretary-General, FBC

Dr Camilla Toulmin

Director, International Institute for Environmental Development

Colin Tudge

Science writer

Clare Wilding

DEFRA, Former Agricultural Attaché, British Embassy, Paris

Emily Vigliar

Rapporteur

Appendix III

FRENCH PARTICIPANTS

Co-présidente :

Marion GUILLOU

Présidente de l'INRA

Bernard BACHELIER

Directeur, FARM

Jean-Claude BEVILLARD

Secrétaire National, en charge des questions agricoles

Sylvie BLUMENKRANTZ

Sous-directrice de la Section française du Conseil franco-britannique

Laurent BONNAUD

Credit Manager, BNP PARIBAS

Jean-Christophe BUREAU

Professeur d'économie, AgroParisTech
Directeur adjoint de l'Unité mixte de recherche en économie publique

Patrick CARON

Directeur scientifique, CIRAD

Michel CLAVÉ

Directeur de l'Agriculture et de l'Agro-Alimentaire, Crédit Agricole SA

Jean-Christophe DEBAR

Directeur, PLURIAGRI

Thierry FELLMANN

Sous-directeur du Pôle Economie et Politiques agricoles

Maurice GOURDAULT-MONTAGNE

Ambassadeur de France à Londres

Jean GUÉGUINOU

Ambassadeur de France
Président de la Section française du Conseil franco-britannique

Hervé GUYOMARD

Directeur scientifique, INRA

Antoine HERTH

Député du Bas-Rhin

François de LA GUERONNIERE

Directeur des Affaires financières, sociales et logistiques, Min de l'agriculture et de la pêche.

Stéphane LE MOING

Chef du service des relations internationales
Ministère de l'agriculture et de la pêche

Patrick MESSERLIN

Prof d'économie, Directeur du Groupe d'Economie mondiale à Sciences Po

Michel PETIT

Professeur à l'Institut agronomique méditerranéen (IAM)

Hervé PLAGNOL

Rédacteur en chef, AGRA PRESSE

Cyril PORTALEZ

Attaché agricole, Amb. de France à Londres

François PURSEIGLE

Maître de conférences en sociologie

Gérard ROUBICHOU

Secrétaire général de la Section française du Conseil franco-britannique

Guillaume SAINTENY

Directeur des Études Économiques et
de l'Évaluation Environnementale au
Ministère de l'Ecologie et du
Développement Durable

Bertrand SCHMITT

Dir de recherche, Chef du dépt
'Sciences sociales, agriculture et
alimentation, espace et
environnement', INRA

Noëlle URI

Economiste
Membre du Conseil franco-britannique

François VIGNAUD

Etudiant en Master de géographie

Appendix IV

Seminar Agenda

Welcome and introduction by Joyce Quin and Marion Guillou

Session I: The global framework for agriculture

introduced by Michel Petit and Andrew Simms

- Farming in the long term and world food supplies
- International policies: marketing, environmental, food industry, relations between the Western countries and the Third World.

Session II: What agricultural model or models do we want for Europe?

introduced by Sir Donald Curry and Hervé Guyomard

- What are the main European objectives? Secure food supply? environmental protection? rural employment? competitiveness? risk management?
- How can we respond to the different agricultural contexts within Europe?

Lunch followed by keynote speech from Colin Tudge ***A personal perspective***

Cheeses supplied by Neal's Yard

Session III: What policies are needed to achieve these? On a European, national and regional level?

introduced by Antoine Herth and Susan Armstrong-Brown

- Policy tools: public support? price stabilisation and security measures?
- Community or national financing?

Session IV: What rural policies do we want and how should they relate to agricultural policies?

introduced by Bertrand Schmitt and Stuart Burgess

- What challenges are faced by Europeans living and working in rural areas in the 21st century?
- Looking at the future: are European or national policies more suitable?

